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1 U.S. PATENT & TRADEMARK OFFICE
2 IN THE OFFICE OF PETITIONS

3 MAIL STOP: PETITIONS

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4 In Re: Patent No. 6221836
5 Issue Date: April 24, 2001
6 Application No.: 09/213,968
Filing Date: December 17, 1998

DEC 03 2009

OFFICE OF PETITIONS

7 First Named Inventor: Paxton Beale

8 Assignee of All Right and Interest: Paxton Beale

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10 RESPONSE TO REQUEST FOR INFORMATION11
12 Background

Petitioner herein, Paxton Beale, the first named Inventor and the Assignee of all Right and Interest in U.S. Patent 6,221,836, has petitioned for relief in this matter, and acceptance of a late payment of the maintenance fee for US Patent 6,221,836, pursuant to 37 CFR 1.378 (b) on grounds of unavoidable delay, in spite of the fact that Petitioner exercised reasonable care and prudent diligence in the maintenance fo the patent.

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19 37 CFR 1.378(b) (3) states that any petition to accept delayed
payment of a maintenance fee must include:

20 "A showing that the delay was unavoidable, must show,
21 a) reasonable care was taken to ensure that the maintenance fee would be paid timely, and
22 b) that the petition was filed promptly after the patentee was notified of, or otherwise became
23 aware of the expiration of the patent; and
24 c) The showing must enumerate the steps taken to ensure timely payment of the maintenance
25 fee, the date, and the manner in which patentee became aware of the expiration of the patent, and
26 the steps taken to file the petition promptly."
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In Re: Beale Petition/ 37 CFR 1.378

Petition Re: PAT 6,221,836

1 The Commissioner has indicated that Petitioner has not affirmatively stated the cause of
2 the delay in payment of the fees and such a statement is required.

3 However, since 37 CFR 1.378(b) noted above, does not seem to affirmatively state that
4 a cause for the actual delay must be identified and be plead, but only reasonable care was taken,
5 the petition was filed timely once Petitioner was aware of the expiration.

6 As Petitioner was following the statute as a guide to provide the information in the initial
7 Petition, and the statute does not call for an affirmative statement of specifically what caused the
8 error which caused the non payment, Petitioner concentrated on the stated requirements of the
9 statute noted above and may have missed the requirement of affirmatively stating an actual error,
10 and wishes to apologize to the Commissioner if this lack of formal statement caused any
11 procedural problems.

Causation

13 As noted, while it appears that 37 CFR 1.378(b) is more concerned with diligence of the
14 parties, before and after the expiration, and does not appear to concern itself with affirmatively
15 stating a cause, on information and belief, Petitioner believes the cause of the delay was due to
16 Registered Patent Attorney Donald Nickey's conduct in one or a combination of:

17 A) gross negligence by Registered Patent Attorney Donald Nickey,

18 B) the deceit of Attorney Donald Nickey in informing Petitioner of his failure to pay the
19 maintenance fees which Petitioner reasonably believed and deceit in not telling Petitioner he was
20 gravely ill and it was affecting his practice;

21 C) negligence of conduct in not paying the maintenance fees which were in his trust
22 which was caused by severe illness of Donald Nickey and thus excused within the meaning of
23 unavoidable delay under 35 U.S.C. § 133.

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In Re: Beale Petition/ 37 CFR 1.378

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Petition Re: PAT 6.221.836

PETITIONER'S DILIGENCE

The Commissioners request for additional information did not request any more information regarding Petitioner's DILIGENCE and Petitioner thus believes the initial petition shows that exercised due care and DILIGENCE, by calendaring the dates of payment, contacting Mr. Nickey on numerous occasions about the payments, placing more than sufficient funds in trust with Mr. Nickey to pay the fees, and reasonably relying on Mr. Nickey's representations the payments were made this reliance be reasonable since earlier payments by Mr. Nickey had been represented as paid, and were, and the other facts already presented, showing Petitioner's diligence both before and after the non payment is not at issue.

MR. NICKEY'S CONDUCT

As noted by the Commissioner, in many cases, it is an established principle in most cases, that the neglect or exercise of judgment of an attorney is chargeable to his client, and thus the client would have to suffer the consequences of his attorney's conduct. The rationale, as articulated in *Link v. Wabash R.R.*, 370 U.S. 626, 633-34 (1962), is that because the client voluntarily chose his own representative, he cannot seek to avoid the consequences or acts of this freely selected agent. While Nickey's death has eliminated Petitioner's ability to seek remedy against Mr. Nickey, the Court stated, *id.* at 634 n. 10, that if the attorney's conduct falls substantially below what is reasonable under the circumstances, the client's remedy is a malpractice suit against the attorney.

Reviewing the facts of the *Link* matter, the district court notified counsel for each side of the scheduling of a pretrial conference on October 12, 1960, at 1 p.m. On the morning of the scheduled date, plaintiff's counsel telephoned the courthouse for the judge, and was informed that the judge was on the bench. Plaintiff's counsel then left this message for the judge:

"that he [counsel] was busy preparing papers to file with the [Indiana] Supreme Court," that "he wasn't actually engaged in argument and that he couldn't be here by 1:00 o'clock, but he would be here either Thursday afternoon [October 13] or any time Friday [October 14] if it [the pretrial conference] could be reset."

1 Id. at 628. After plaintiff's counsel failed to attend the pretrial conference, the district court,
2 upon review of the history of the case, dismissed the action for counsel's failure to appear for
3 pretrial conference and for failure to prosecute. The Court of Appeals affirmed the district court.

4 The Supreme Court in Link recognized that the review in that case involved the propriety
5 of the district court's dismissal of the action under Federal Rules of Civil Procedure 41(b), 370
6 U.S. at 630, and not any refusal by the district court to grant plaintiff's request for relief from
7 judgment under Rule 60(b). In particular, the Court stated: "[p]etitioner never sought to avail
8 himself of the escape hatch provided by Rule 60(b)," id. at 632, and expressly left open the
9 question whether the district court would have abused its discretion had it rejected a motion
10 under Rule 60(b). Id. at 635.

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12 **Link v. Wabash Is Not a Hard Rule with the Courts and is Evolving**

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14 In the context of relief from judgment under Rule 60(b), many courts do not broadly
15 apply the Link rule that an attorney's conduct is chargeable to his client, when the conduct is
16 deemed to involve gross-negligence rather than ordinary neglect, e.g., Boughner v. Secretary of
17 Health, Education and Welfare, 572 F.2d 976, 978 (3rd Cir.1978); L.P. Steuart, Inc., v.
18 Matthews, 329 F.2d 234, 235 (D.C.Cir.1964), cert. denied, 379 U.S. 824 (1964), or simply when
19 a default judgment is due to counsel's neglect. Jackson v. Beech, 636 F.2d 831, 837
20 (D.C.Cir.1980); see also Carter v. Albert Einstein Medical Center, 804 F.2d 805 (3rd Cir.1986)
21 (vacating default judgment upon review of denial of relief under Rule 60(b), without classifying
22 counsel's negligence as either ordinary or gross).

23 In following the evolving standard in may District Courts, currently Petitioner is not
24 aware of any decision of the Commissioner which distinguished gross-negligence from ordinary
25 neglect, when deciding whether to charge the conduct of an applicant's attorney to the applicant.
26 But whether such a distinction is proper is probably not an issue that needs determination here,
27 although perhaps it should be, due to the inequity in many situations where the petitioner is
28 severely harmed by a Registered Patent Attorney's grossly negligent conduct.

1 The reason this issue may not be necessary is because Attorney Nickey's conduct should
2 not be charged to Petitioner for a different reason, i.e., Attorney Nickey's intentional deception
3 of Petitioner as to his severe health and practice difficulties caused by it, and, his telephonic
4 and other representations that he would make the required payments from funds in trust and
5 then did not, either due to conduct caused by his severe illness, or gross negligence in light of
6 the numerous reminders that Petitioner provided as shown in the exhibits in the original petition,
7 and the fact that Nickey had the funds in trust.

8 The attached letter from Registered Patent Attorney Sean Casey, provides
9 independent confirmation that:

10 As indicated in the numerous letters submitted with the original petition, confirming
11 telephonic conversations with Nickey that Nickey was in fact in charge of handling all things
12 relating to Petitioners patents including maintenance fees. That after the '836 patent issued, Don
13 Nickey stated to Casey that Nickey would be working with Petition to maintain the '836 patent,
14 among others, as well as any international patent applications that were contemplated during the
15 1998 through 2001 period of time. (Paragraph 8 of Casey Letter)

16 That Subsequent to Casey's limited support of Don Nickey's activities, the Nickey
17 informed Casey in late 2001 or early 2002 that Nickey would attend to any action for Petitioner's
18 intellectual property matters. And, that Nickey specifically stated that in view of his economic
19 and inventorship interests, he would attend to payment of maintenance fees for both the
20 '836 and other of your U.S. patents. (Paragraph 10 of Casey Letter)

21 That in mid-2004, I Casey contacted Don Nickey and Nickey confirmed to Casey that
22 Nickey was in fact confronting serious health issues that impacted his ability to work, and that
23 required or would require him to leave his legal employment at Cardinal Health. (Paragraph 13
24 of Casey letter)

25 That Nickey's health problems created adverse legal consequences for some other
26 entities or individuals who relied on Don for legal counsel and advice. (Paragraph 15 of
27 Casey letter)

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1 That Petitioner has suffered catastrophic serious health problems in the years between
2 2004 and 2008.

3 Petitioner thus, suffering from severe health problems and relying totally on Nickey
4 informed him before the 2004 fees were due of that dependence. Nickey, was at the time
5 severely ill himself, and having to leave his employment at Cardinal Health (Casey
6 declaration) but did not inform Petitioner of that severe problem (Nov 30, 2004 letter to
7 Nickey from Petitioner). Nickey deceived Petitioner who was in the hospital and particularly
8 vulnerable and withheld his severe health information from Petitioner and the fact he was
9 leaving his full time legal job because of it.

10 This deceit continued after November of 2004 and in telephone conversations of 2005
11 and 2006, confirmed by letters from Petitioner to Nickey about the possibility of meeting
12 together at upcoming weight-lifting conventions. Petitioners letters (exhibits to initial filing)
13 confirm the telephone calls and the potential to meet. All the while Nickey deceived
14 Petitioner and concealed the fact to Petitioner that Nickey had not paid the patent
15 maintenance fees from funds in trust as he indicated he would do to Petitioner in phone calls
16 and independently to Attorney Casey, and Nickey deceived Petitioner by not telling Petitioner
17 of his severe illness causing his resignation as an Attorney with Cardinal health. By this
18 point in time, Nickey must have known he had not paid the required and promised
19 maintenance fee from fees in trust, but kept quiet, and did not inform Petitioner within the
20 two year statute that would have allowed Petitioner to pay the fees he thought were paid and
21 maintain the patents.

22 When an attorney intentionally conceals a mistake he has made, thus depriving the
23 client of a viable opportunity to cure the consequences of the attorney's error, the situation is
24 not governed by the stated rule in Link for charging the attorney's mistake to his client. See
25 Jackson v. Washington Monthly Co., 569 F.2d 119, 122 n. 18 (D.C.Cir.1977):

26 The gross-neglect rule of L.P. Steuart noted above, has been criticized as discordant
27 with Link per 7 J. Moore, Federal Practice ¶ 60.27[2], at 369-370 n. 47 (2d ed.1975); see
28 United States v. Cirami, 535 F.2d 736, 740-741 (2d Cir.1976). But even if that were so, an

1 attorney's deception of a blameless client would survive as a basis for relief under Rule
2 60(b)(6). See 7 J. Moore, *supra*, ¶ 60.-27[2], at 368 n. 44.

3 Still further, when a client does not knowingly and freely acquiesce in his attorney's
4 neglectful conduct, but instead is misled into believing that the attorney is industrious,
5 dismissal is not only a harsh step but one for which the circumstances provide little support
6 for an agency theory as a rationale. Cf. *Thane Lumber Co. v. J.L. Metz Furniture Co.*, 12 F.2d
7 701, 703 (8th Cir.1926); *Chamberlain v. Amalgamated Sugar Co.*, 42 Idaho 604, 247 P. 12,
8 14 (1926).

9 United States v. Cirami, 563 F.2d 26 (2d Cir.1977), involved a situation in which the
10 district court's denial of relief under Rule 60(b)(6) was reversed on the basis that the
11 attorney's failure leading to dismissal of the action was demonstrated to be due to mental
12 illness. That decision has been broadly interpreted by at least one district court as
13 representing the view that any counsel's conduct of more than ordinary neglect or
14 gross-negligence should not be charged to his client in the context of a request for relief
15 under Federal Rules of Civil Procedure Rule 60(b)(6). As stated in *DeBonavena v. Conforte*,
16 88 F.R.D. 710, 712-13 (D.Nev.1981):

17 This Court views the legal propositions set forth in the Cerami cases as not
18 necessarily limiting relief to those cases where there is mental illness. It seems that
19 the philosophical basis of Cirami is somewhat broader. The essential question in the
20 view of this Court is whether counsel's inaction was due to something more than
21 negligence or neglect.

22 Attorney Nickey had promised to take care of the maintenance fees on numerous
23 occasions in telephone calls with Petitioner which were confirmed in letters. Attorney
24 Nickey also informed Attorney Casey of this duty and Attorney Nickey had the funds to do so
25 at all times.

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1 Attorney Nickey never told Petitioner that he had not paid the fees as requested and
2 with the funds on hand. In the same time frame, Attorney Nickey told Attorney Casey of his
3 severe health problems which caused him to cease legal practice with Cardinal Health, but,
4 concealed this fact from Petitioner in November of 2004 and many times thereafter.

5 Nickey's intentional concealment of his failure to pay the requested fees, despite
6 numerous occasions to do so when the patent could have been easily reinstated, and
7 Nickey's intentional concealment of his severe health problems which caused him to cease
8 his legal practice with Cardinal Health, deprived Petitioner of viable opportunities to cure
9 the consequences Nickey's errors and concealment. Thus, the situation is not governed by
10 the stated rule in Link for charging the attorney's mistake to his client. See *Jackson v.*
11 *Washington Monthly Co.*, 569 F.2d 119, 122 n. 18 (D.C.Cir.1977):

12 Still further, while Nickey told Casey of his severe condition which affected his
13 ability to work, he did not tell the hospitalized Petitioner. Further, despite numerous
14 telephonic conferences later on, Nickey did not tell Petitioner he had failed to pay the fees as
15 promised and that Petitioner could easily fix the problem within a two year window.

16 Petitioner did not knowingly and freely acquiesce in his attorney's neglectful conduct,
17 but instead was misled into believing that the attorney was working and industrious when in
18 fact he could not work and did not pay the fees. Petitioner was wronged and did not
19 acquiesce to Nickey's conduct, and consequently, there is little support for an agency theory
20 as a rationale. Cf. *Thane Lumber Co. v. J.L. Metz Furniture Co.*, 12 F.2d 701, 703 (8th
21 Cir.1926); *Chamberlain v. Amalgamated Sugar Co.*, 42 Idaho 604, 247 P. 12, 14 (1926).

22 Still further, per *United States v. Cirami*, 563 F.2d 26 (2d Cir.1977), noted above,
23 where illness affects the performance of Petitioner's attorney, just as in this case, as noted as
24 being broadly interpreted by at least one district court as representing the view that any
25 counsel's conduct of more than ordinary neglect or gross-negligence should not be charged to
26 his client in the context of a request for relief under Federal Rules of Civil Procedure Rule
27 60(b)(6). As stated in *DeBonavena v. Conforte*, 88 F.R.D. 710, 712-13 (D.Nev.1981):
28

CONCLUSION

Petitioner respectfully continues his assertion that Petitioner acted as diligently as possible under the existing circumstances, and that the facts herein support acceptance of the late payment of the fees on the '836 patent since those facts are well within the liberal standard as espoused by Commissioner Hall and Chief Justice Shepard in the *Mattullah* case.

Further, the gross negligence and concealment of wrongdoing by Petitioner's attorney, and the fact that Petitioner's attorney also suffered from an illness rendering him unfit to practice law with his employer, also which was concealed from Petitioner but not others, is conduct which falls outside the scope of the holding in *Link* and should not be attributed to the Petitioner, especially in light of the fact that this concealment of non payment, whether caused by Attorney Nickey's severe illness, or just intentional, caused a loss of remedy in paying the fees which was not acquiesced to by Petitioner.

For the reasons set forth in the records on file herein, inclusive of the testimonial and documentary evidence on file and as filed herewith, it is respectfully submitted that the Honorable Commissioner find that the facts meet the requisite threshold to find satisfaction that there was unavoidable delay, despite the reasonable DILIGENCE of Petitioner to maintain the '836 patent, thus permitting acceptance of fees and surcharges submitted concurrently herewith, and ruling the '836 patent to be "considered as not having expired at the end of the grace period."

CONDITIONAL REQUEST REGARDING '469 PATENT

Petitioner, who is currently 79 years of age, additionally requests that should the Commissioner find the facts herein support the allowance of payment of late fees for the reinstatement of the '836 patent, that he be allowed to subsequently immediately submit maintenance fees and surcharges for the reinstatement of the '469 patent. This is because the facts and documentation herein support a holding that Petitioner exercised the same reasonable DILIGENCE and due care, and same reasonable belief of the payment of the fees for the '469 patent.

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1 Petitioner however, being of advanced age, and a declining source of revenue, had to
2 budget for and amass the funds to pursue the '836 patent during the review of this petition
3 for payment of the fees for the '469 patent.

4 The same concealment and gross negligence of attorney Nickey, which as shown
5 should not be imparted to Petitioner who never acquiesced and was deceived at a time he was
6 hospitalized, was the cause of non timely payment and non late payment. This request is
7 made in the interest of Judicial economy and the avoidance of the need for the PTO Staff to
8 docket and review of two separate filings with the same fact pattern supporting the same
9 reasonable belief of fee payment by Petitioner.

10 Consequently should the Commissioner find the petition allowing the payment of fees
11 for the '836 patent is acceptable, and this conditional request supported by the facts, the
12 maintenance fees due for the '469 patent can be deposited to Petitioner's Attorney's deposit
13 account and paid directly to the PTO, or can be paid by credit card to the PTO, if the
14 Commissioner deems such allowable.

15 As noted, the requisite fees due for the reinstatement of the '836 patent have already
16 been tendered with this request. Should any additional fees or costs be required in this
17 matter, please inform Petitioner's attorney and charge Deposit Account 07-1338.

18 Petitioner, through his attorney, respectfully requests that the Commissioner therefor
19 permit acceptance of fees and surcharges for the '836 patent, and if acceptable to the
20 Commissioner due to Petitioner's age and limited budget, that the fees and surcharges for the
21 '469 patent be also accepted if forwarded immediately, subsequent to a favorably ruling by
22 the Honorable Commissioner.

Respectfully submitted,

23 DATED: November 25, 2009



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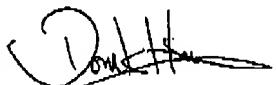
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